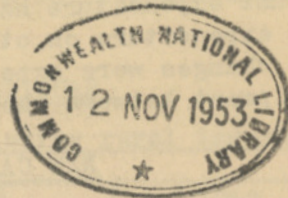




COMMONWEALTH BUREAU OF CENSUS AND STATISTICS.

QUARTERLY BUSINESS SURVEY No. 23. PRELIMINARY RESULTS.

PAST AND ANTICIPATED CAPITAL AND MAINTENANCE EXPENDITURE BY AUSTRALIAN BUSINESS.



INTRODUCTION

In Quarterly Business Survey No. 23 which was carried out early in 1953 particulars were sought from a representative list of private businesses as to their capital and maintenance expenditure in the second half of 1952 and of expected expenditure in the first half of 1953. On the basis of the replies received estimates have been prepared of the capital expenditure of all private businesses subject to payroll tax in Australia. Rural industries, governments, and most governmental business undertakings are excluded, and also small businesses not subject to payroll tax.

The term "buildings" herein includes a certain amount of construction work on assets such as private wharves, roads, etc. The term "capital equipment" herein includes motor vehicles, cranes, office equipment and furniture, and machines and machinery of all kinds.

NEW CAPITAL EXPENDITURE

Table 1 shows the expenditure on new buildings and new capital equipment from 1947 to 1952, and an estimate of the expenditure expected to be made in the first half of 1953.

TABLE 1. NEW CAPITAL EXPENDITURE, 1947 TO JUNE, 1953

(By private businesses subject to payroll tax - excluding rural industries)

	Year 1947	Year 1948	Year 1949	Year 1950	Year 1951	Year 1952	1952		1953
							1st Half	2nd Half	1st Half
	£m	£m	£m	£m	£m	£m	£m	£m	£m
New Buildings									
Anticipated (a)	-	26.8	26.7	36.9	55.0	66.0	34.4	31.6	32.4
Actual (b)	16.3	20.9	25.2	32.4	48.4	63.6	31.9	31.7	-
New Capital Equipment									
Anticipated (a)	-	72.9	78.2	92.2	134.6	148.8	76.3	72.5	73.1
Actual (b)	58.1	72.1	80.6	99.3	135.6	151.3	79.4	71.9	-
Total New Capital Expenditure									
Anticipated (a)	-	99.7	104.9	129.1	189.6	214.8	110.7	104.1	105.5
Actual (b)	74.4	93.0	105.8	131.7	184.0	214.9	111.3	103.6	-

(a) As estimated from Surveys made at the beginning of the period.

(b) As estimated from Surveys made after the end of the period.

Expenditure on new buildings and capital equipment in the second half of 1952 was estimated at £103.6m. This was £7.7m., or 7 per cent, lower than the level for the first half of 1952, and agrees very closely with the level of expenditure of £104.1m. which was anticipated earlier in the year. This was the first decrease in such expenditure to take place since these Surveys were commenced in 1947. At the time the survey was made early in 1953 an expenditure of £105.5m. was anticipated for the six months to June, 1953. This is very slightly greater than actual expenditure in the second half of 1952. Taken together, and viewed in relation to data for previous years, the available figures for 1952-53 indicated that capital expenditure would be well maintained at the high level reached in 1951-52.

Expenditure on new buildings did not alter much between the first and second halves of 1952. The estimated actual expenditure of £31.7m. was almost exactly equal to the expenditure anticipated in the previous survey, whereas in earlier periods actual expenditure has fallen considerably short of anticipation. Over the same period expenditure on other new capital equipment fell by £7.5m. or 10 per cent. Only slight changes were expected in the expenditure on new buildings and on other new capital equipment between the second half of 1952 and the first half of 1953.

NEW CAPITAL EXPENDITURE IN INDUSTRY GROUPS

Table 2 shows the expenditure on new buildings and capital equipment in the chief industry groups from 1947 to 1952, together with the expenditure anticipated for the first half of 1953.

TABLE 2. NEW CAPITAL EXPENDITURE ON BUILDINGS
AND EQUIPMENT IN INDUSTRY GROUPS

(By private businesses subject to payroll tax - excluding rural industries)

	Year	Year	Year	Year	Year	Year	1952		1953
	1947 Actual	1948 Actual	1949 Actual	1950 Actual	1951 Actual	1952 Actual	1st Half Actual	2nd Half Actual	1st Half Antici- pated
	£m	£m	£m	£m	£m	£m	£m	£m	£m
<u>Manufacturing</u>									
Engineering and Vehicles	17.9	21.6	24.1	26.9	40.7	49.2	24.0	25.2	29.5
Textile	1.9	3.5	3.6	4.1	4.5	3.7	2.2	1.5	1.9
Clothing	2.3	2.7	3.6	2.6	4.2	2.6	1.6	1.0	1.2
Food, Drink, Tobacco	7.9	8.2	10.9	15.0	17.8	23.8	11.6	12.2	11.9
Paper & Printing	5.0	6.8	9.1	11.4	14.1	13.3	8.6	4.7	4.7
Gas & Electricity	3.4	5.4	5.2	6.4	8.6	9.9	3.9	6.0	8.0
Other Manufacturing	10.4	11.0	13.5	19.7	27.6	29.5	16.7	12.8	11.2
<u>Total Manufacturing</u>	<u>48.8</u>	<u>59.2</u>	<u>70.0</u>	<u>86.1</u>	<u>117.5</u>	<u>132.0</u>	<u>68.6</u>	<u>63.4</u>	<u>68.4</u>
Mining	2.1	3.3	4.5	6.8	10.8	13.7	7.4	6.3	5.7
Transport	4.7	6.5	7.2	6.8	10.1	10.8	5.3	5.5	3.1
Wholesale and Retail Trade	12.7	17.7	16.1	20.9	30.7	42.0	20.9	21.1	21.4
All Other	6.1	6.3	8.0	11.1	14.9	16.4	9.1	7.3	6.9
<u>Total Non- Manufacturing</u>	<u>25.6</u>	<u>33.8</u>	<u>35.8</u>	<u>45.6</u>	<u>66.5</u>	<u>82.9</u>	<u>42.7</u>	<u>40.2</u>	<u>37.1</u>
<u>Total:</u>	<u>74.4</u>	<u>93.0</u>	<u>105.8</u>	<u>131.7</u>	<u>184.0</u>	<u>214.9</u>	<u>111.3</u>	<u>103.6</u>	<u>105.5</u>

New capital expenditure was reduced more in manufacturing industries than in non-manufacturing industries as a group between the first and second halves of 1952. Expenditure in manufacturing industries fell by £5.2m. or 8 per cent, while expenditure in non-manufacturing industries fell by £2.5m. or 6 per cent. Within the manufacturing field the greatest relative decrease occurred in the paper and printing industry in which new capital expenditure dropped nearly 50 per cent from £8.6m. to £4.7m. Significant declines took place in the textile and clothing industries and the "other" manufacturing group. The only substantial rise occurred in the gas and electricity industry in which capital expenditure had fallen between the second half of 1951 and the first half of 1952. Small increases occurred, however, in the engineering and food manufacturing groups. In the non-manufacturing group the expenditure by the mining industry fell by £1.1m. and "other" by £1.8m. but there was practically no change in the trade and transport industries.

The engineering and vehicles industry and the gas and electricity industry expected considerable rises in new capital expenditure in the first half of 1953. The textile and clothing industries expected their capital expenditure to rise

from a total of £2.5m. to £3.1m., but this would still have been below the combined total of £3.8m. during the first half of 1952.

No change was expected by the paper and printing industry and a very slight fall in the food, drink and tobacco manufacturing group. In manufacturing as a whole an increase of 8 per cent in capital expenditure was anticipated. If this was achieved expenditure in the first half of 1953 would have been approximately the same as in the corresponding period in 1952. The non-manufacturing industries anticipated a decline of about 8 per cent in expenditure, the greatest fall being expected in the transport industry.

REPAIR AND MAINTENANCE EXPENDITURE

Table 3 shows estimated expenditure on repairs and maintenance since 1947 by the businesses covered by this Survey.

TABLE 3. REPAIR AND MAINTENANCE EXPENDITURE

(By private businesses subject to payroll tax - excluding rural industries)

	Year 1947	Year 1948	Year 1949	Year 1950	Year 1951	Year 1952	1952		1953
							1st Half	2nd Half	1st Half
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Anticipated	-	57.4	64.2	69.7	89.4	114.9	55.8	59.1	60.8
Actual	58.3	62.7	70.3	77.4	109.0	129.6	65.4	64.2	-

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CANBERRA. A.C.T.

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